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TO: The Honorable City Council
FROM: David Whitaker, Director 
Legislative Policy Division Staff
DATE: March 3, 2014
RE: **REVIEW OF CONTRACTS AND PURCHASING FILES**

Attached is the list of contracts and purchase orders recommended by the Finance Department, Purchasing Division, and submitted to the City Council for referral to the Committees on March 4, 2014.

The comments and review of the Legislative Policy Division staff are printed in bold following the contracts.

Attachments

cc:	Janice Winfrey	City Clerk
	Mark Lockridge	Auditor General
	Palencia Mobley	Mayor's Liaison
	Boysie Jackson	Purchasing Division
	Irvin Corley, Jr.	Legislative Policy Division
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Statistics compiled for the list of Contracts and Purchases submitted for referral on March 4, 2014.

Department	No. of Contracts or Purchase Orders	Detroit-Based Business Bids	Change, Extension Increases, Renewals	Located in Detroit
General Services	3	0	1 Increase 1 Renewal	1
Planning & Dev. 1 Emergency contract	2	0		2
Public Works	1	0		0
Transportation	3	0		2
TOTALS	9	0	1 Increase 1 Renewal	5

This list represents appropriations totaling approximately \$2,828,439¹

Included in the total costs are the following:

City General Fund	\$274,000.00
General Grants	\$241,500.00
Transportation Grants	\$1,800,000.00
Block Grant	\$223,575.00
Streets Fund	\$289,364.00

¹ This list includes contract extensions for term of 1-year and New Contracts for terms of 1-Year to 5-Years.

TO: The Honorable City Council

**FROM: David Whitaker, Director
Legislative Policy Division**

DATE: March 3, 2014

**RE: CONTRACTS AND PURCHASE ORDERS SCHEDULED TO BE CONSIDERED AT THE
FORMAL SESSION OF MARCH 4, 2014**

GENERAL SERVICES

2814376 100% State Funding – To Provide Closed Circuit Security Equipment – Company: Detroit Electrical Services (DES), Location: 1551 Rosa Parks Blvd, Detroit, MI 48216 – Contract Period: May 1, 2010 through April 30, 2015 – Contract Increase: \$241,500.00 – Contract Amount Not to Exceed: \$2,317,887.00

Costs budgeted to General Grants Fund, \$194,000 to Acct. 3601-460609-310100-644100-13356-0-A1100 and \$47,500 to Acct. 3601-460810-310100-644100-13551-0-A1100. Appropriation for 2009 Bufferzone Protection Plan includes current funding of \$194,000.00 and the Appropriation for 2010 HSGP – Urban Area Security Initiative includes current funding of \$413,917.76 as of February 28, 2014

This contract was initially approved July 27, 2010 for a term of 5 years, from May 2010 through April 2015. The contract is to provide for the design, configuration and installation of a closed circuit TV and digital recording system with connections to a centralized Security Command Center at Northwest Activities Center. In addition, camera equipment, under the original contract, to be installed at the following 10 locations: Davison Yard, Livernois Garage, Scott Fountain, Belle Isle Bridge, Chandler Park Service Yard, Rouge Park Service Yard, Police-Northeast District facility, Russell Ferry Yard, Southfield Yard, and the Street Maintenance Yard. Change Order No. 1 was approved Sept. 6, 2011 for the addition of the Coleman Young Airport, including replacing 8 interior cameras and installing a perimeter video system for a total increase of \$1,128,595 with no extension of time.

This is Change Order No. 2 to amend the contract to complete final install and functionality of the CCTV system at both City Airport and Norfolk Southern Railroad for a total increase of \$241,500.00 with no extension of time (total contract amount \$2,317,887.00). The Scope of Work has been amended to add additional services under the Buffer Zone Protection Plan Grant for the Norfolk Southern Railroad Yard.

Contract Checklist, dated 2-25-14, indicates the contract increase is not essential to department operations but without the additional funds the security system upgrades at City Airport will not be completed. It also states the contract was not competitively bid because the vendor currently holds a contract for these services and that City workers cannot perform or be trained to perform this work.

Covenant of Equal Opportunity Affidavit signed 11-26-13; TAXES: Good Through 6-30-14 and 8-15-14; Hiring Compliance Policy Affidavit signed 11-26-13 and the attached letter from DES indicating it has signed a letter of Assent with IBEW Local 58 and any electricians that are needed are dispatched from IBEW Local 58; Slavery Era Records Disclosure Affidavit signed 11-26-13, indicating business established in 2013, no records to disclose.

GENERAL SERVICES

2835960 100% City Funding – To Provide Repair Service Parts Labor Peterson Log Loader – Company: Cannon Truck & Equipment Co. LLC, Location: 51761 Danview Technology Court, Shelby Township, MI 48315 – Contract Period: March 1, 2014 through February 28, 2015 – Total Contract Amount: \$234,000.00

Renewal of Existing Contract – Original Contract expired January 31, 2013.

Costs of this contract budgeted to General Fund, Acct. 1000-470050-006004-622100-11831-0-A4510. Appropriation for Inventory Management includes funding of \$1,032,631.85 as of February 28, 2014.

This contract was approved February 1, 2011, for a 2-year term, through January 2013, for an estimated cost of \$234,000. Cannon Engineering submitted the lowest of 2 bids. The bid costs included: Regular labor hours at \$65 per hour, overtime at \$84 per hour; 20% discount from the manufacturer's price list for parts.

On March 6, 2012, Council approved a decrease in the contract amount as the vendor had agreed to a 10% reduction in the regular hourly costs (from \$65 to \$58.50 per hour as of January 2, 2012) for a savings of \$3,250 for the remaining year of the contract. The contract includes options to renew 2 additional years.

This is the proposed renewal of this contract for 1-year (March 1, 2014 through February 28, 2015) under the same terms and conditions. The prices for parts remain the same at: hose recoil assy \$159.41/ea.; tube, boom TL \$59.37/ea.; tail light assy \$82.94/ea.; seal kit, rotary manifold \$25.20/ea.; and restrictor \$33.60/ea.

Contract Checklist, dated 2-19-14, indicates the contract renewal is essential because it is for the repair of log loaders. It also states that the contract was competitively bid and the renewal provides for the health, safety and welfare of citizens of Detroit. This service is not used by other departments, and there was no increase to the prices. Lastly, the checklist indicates that City employees cannot provide this service and cannot be trained to do so.

Covenant of Equal Opportunity Affidavit signed 2-12-14; TAXES: Good Through 6-30-14 and 10-2-14; Hiring Compliance Policy Affidavit signed 2-12-14 and the Employment Application submitted complies; Slavery Era Records Disclosure Affidavit signed 2-12-14, indicating there are no records to disclose.

Council may wish to inquire what vendor provided parts and service between January 1, 2013 through February 28, 2014 when it appears PO 2835960 was not in effect.

The following contracts were also approved with Cannon Engineering & Equipment which has the same website and is at the same address as Cannon Truck & Equipment:

- ***PO 2785793 for the Airport submitted and referred October 29, 2013 and approved November 19, 2013 for Repair of Heavy Equipment and Snow Removal Vehicles at \$25,000/yr/2 yrs.***
- ***PO 2885098 for the General Services Dept. submitted and referred October 29, 2013 and approved November 7, 2013 to provide a refurbished Etnyre trailer for \$33,995.***

Continued Discussion on Next Page

The Honorable City Council

Contracts and Purchase Orders submitted for Referral on March 4, 2014

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Continued Discussion of General Services Dept. Contract 2835960:

- ***PO 2873198, Standby for the General Services Dept. submitted and referred on January 8, 2013 and approved January 15, 2013 to provide repair service, parts, and/or labor for Caterpillar Engines. Contract Period: January 1, 2013 through December 31, 2015 for \$668,000/3-years***
- ***PO 2858318 for the General Service Dept. submitted and referred on March 6, 2012 and approved on March 13, 2012 for repair service, parts and/or labor for Labrie Packer Units for \$500,000/3-yrs.***
- ***PO 2841011 for the Dept. of Public Works submitted and referred on June 21, 2011 and approved on July 26, 2011 for two regenerative air sweepers at a cost of \$429,990.***

GENERAL SERVICES

2889458 100% City Funding – To Provide a Sole Source Purchase for a City Wide Inventory of all City of Detroit vehicles, review, analyze, evaluate, and make recommendations and supporting reports for this special project – Company: Carolina Software Technologies, Location: 1325 Central Road, Clemmons, NC 27012 – Total Estimated Cost: \$40,000.00

Costs budgeted to General Fund, Acct. 1000-470100-006004-617900-12153-0-A4510. Appropriation for Fleet Management includes current funding of \$8,724,761.63 as of February 28, 2014.

This proposed sole source contract for technical and contractual support to the GSD Fleet Management Division for a New Special Project to conduct a City-wide inventory of all City of Detroit vehicles. According to the Scope of Services, Carolina Software Technologies will undertake the following: validate that auctioned and sold assets are designated in the system of record (REVS (M5)); work with GSD security to develop and finalize with procedures for taking physical inventory of all vehicles; work with GSD to finalize reporting format of department inventories; met with GSD personnel in the field and review inventories; document inventory results; assist GSD security in running fuel reports or other REVS activity reports in an effort to account for assets that cannot be located; summarize a list of vehicles in the REVS system but unable to be located physically; and begin initial assessment of assets as to their utilization in an effort to rationalize the validity of the assets. The timeframe for this contract is four (4) calendar weeks and the total contract amount of \$40,000 is inclusive of all costs.

The Sole Source Justification form included in the file indicates that the sole source designation is appropriate because the vendor possesses unique skills to perform this work. It also states the work under this proposed contract is a continuation of previous project that requires additional services.

Contract Checklist, dated 2-17-14, indicates the contract is not essential to department operations but the consequence of not buying is the potential that City of Detroit vehicles will not be accounted for. It also states that the contract is sole source because the vendor has performed related Fleet services consultation. City workers cannot currently perform this work, but could be trained to provide this service.

Covenant of Equal Opportunity Affidavit signed 7-2-13; TAXES: Good Through 6-30-14 and 7-3-14; Hiring Compliance Policy Affidavit signed 7-2-13 (no application is included as there are only two employees who are both founders of the company and its only employees); Slavery Era Records Disclosure Affidavit signed 7-2-13, indicating business established in 2000, no records to disclose.

The General Services Dept. also extended Sole Source PO 2881301, approved July 16, 2013 with Carolina Software Technologies Inc. to provide expertise in the automation of fleet and fuel system services maintenance support from November 2, 2013 through June 30, 2014 for total cost of \$99,510.

PLANNING & DEVELOPMENT

2888159 100% Federal Funding – To Provide Public Facility Rehabilitation – Company: Samaritan Center, Location: 5555 Conner, Detroit, MI 48213 – Contract Period: Upon Emergency Manager Approval through Eighteen (18) Months Thereafter – Contract Amount Not to Exceed: \$100,000.00

Costs budgeted to Block Grant Fund, Acct. 2001-367168-769013-651161-12432-0-A3050. Appropriation for Samaritan Center includes current funding of \$100,250.00 as of February 28, 2014.

This proposed contract is to rehabilitate the Samaritan Center's facility at 5555 Connor, which is used to provide medical, educational, youth and senior services to the low and moderate income individuals in the community. The contract period is 18-months from the receipt of the Notice to Proceed and the total contract amount is \$100,000. The City may terminate the contract for cause or convenience with 24-hour notice.

The Project Coordinator for the Agency is Michael Alm who is responsible for arranging the project time schedule, monitoring performance, meeting regularly with City representatives to discuss progress as well as any problems with the project.

The Scope of Services for this Public Facility Rehabilitation Project Services is for the installation of a new fire alarm system. The budgeted costs include: construction costs \$89,200; advertising \$800; and professional consultant (subject to the City's approval of the consultant's contract) reimbursement \$10,000.

Contract Checklist, dated 2-14-14, indicates the contract is essential to department operations to provide service to the community. It was not competitively bid and City workers cannot perform the work.

Covenant of Equal Opportunity Affidavit signed 11-22-13; TAXES: Good Through 8-15-14 and 10-23-14; Hiring Compliance Policy Affidavit signed 10-17-13; Slavery Era Records Disclosure Affidavit signed 11-22-13.

Previously, PO 2821432 with Samaritan Center, Inc. was approved on July 20, 2010 to rehabilitate its facility (roof repair and replacement) at 11457 Shoemaker for total contract amount of \$100,000 and a term of 24-months.

REPORTING ONLY - NOTIFICATION OF EMERGENCY PROCUREMENT:

PLANNING & DEVELOPMENT

2889635 100% Federal (CDBG) Funding – Notification of Emergency Procurement as provided by Ordinance No. 15-00 – Please be advised of an Emergency Procurement as follows: Description of Procurement: Demolition of Property located at 1523 E. Jefferson – Basis for the Emergency: A danger to the public health and safety – Basis for Selection of Contractor: Lowest Acceptable Bidder – Contractor: Futurenet Group Inc, Location: 12801 Auburn Street, Detroit, MI 48223 – Total Amount: \$123,575.00

Costs budgeted to Block Grant Fund, Acct. 2001-364096-0-622975-13574-0-0. Appropriation for Demo Arnold House & WSU Commercial includes current funding of \$2,392,907.62 as of February 28, 2014.

This Emergency procurement was for the demolition of property at 1523 E. Jefferson because it presents a danger to the public health and safety. Futurenet Group Inc. was the lowest acceptable bidder. Other bids included: 1way Service Inc. \$232,300; Adamo Demolition Co. \$231,950; and Farrow Group \$198,500.

A Contract Checklist was not included in the Purchasing file.

Covenant of Equal Opportunity Affidavit signed 7-27-12; TAXES: Good Through 7-18-14 and 9-30-14; Hiring Compliance Policy Affidavit signed 7-27-12 and the Employment Application submitted complies; Slavery Era Records Disclosure Affidavit signed 7-27-12, indicating business established in 1994, no records to disclose.

The following contracts were submitted via Special Letter and approved on 10-2-12 with the Department of Buildings, Safety, Engineering and Environmental for demolition of structures with Fire Escrow funds:

- ***PO 2869221 for \$132,436***
- ***PO 2869223 for \$161,631***
- ***PO 2869224 for \$47,230***

PUBLIC WORKS

2872435 100% Street Funding – To Provide One (1) Asphalt Paver – REQ# 286312 – Company: Alta Equipment Company, Inc., Location: 28775 Beck Road, Wixom, MI 48393 – Quantity (1) – Unit Price Range: \$289,364.00/Each – Lowest Bid – Contract Amount Not to Exceed: \$289,364.00

Costs budgeted to Local Streets Fund, Acct. 3302-190870-000050-644600-04190-0-A4570. Appropriation for Local Street Fund - Capital includes current funding of \$26,890,221.87 as of February 28, 2014.

This proposed purchase of 1 asphalt paver, Volvo model P7170 for \$289,364/ea. for the Street Maintenance Division. 15 Bids were solicited. This recommendation is with the Lowest Bid from the 4 Bids received. The Lowest Bid was received from Alta Equipment Company for \$289,364 taking the following minor exceptions to the RFQ: no cut off shoes or bevel end plates as well as a smaller wheel size. The second lowest bidder was Michigan CAT at \$331,398 and the third lowest was Southeastern Equipment at \$356,467 both of which also had minor deviations from the specifications. The highest bid was from AIS Construction at \$377,286.

Contract Checklist, dated 2-24-2014, indicates the contract is required to resurface various City streets and without it dangerous streets will not be resurfaced. It is 100% State funded using Street Fund dollars.

Covenant of Equal Opportunity Affidavit signed 2-19-13; TAXES: Good Through 6-30-14 and 10-29-14; Hiring Compliance Policy Affidavit signed 2-19-13 and the Employment Application submitted complies; Slavery Era Records Disclosure Affidavit signed 2-19-13, indicating business established in 1984, no records to disclose.

The General Services Dept. also has PO 2873346 with Construction Equipment to provide repair service, parts and/or labor for Caterpillar engines from January 1, 2013 through December 31, 2015. This contract was approved during the recess week of December 17, 2012 (reported at formal session Jan. 8, 2013) for a contract total of \$579,388.00/Three (3) years.

TRANSPORTATION

The following information is provided as background information for all of the Transportation contracts included on this list.

The Job Access and Reverse Commute (JARC) provides transportation services to Low Income individuals to employment locations that are not easily accessible through regular transportation routes; New Freedom program provides transportation to elderly /disabled residents for non-medical emergencies that are not accessible through paratransit or from regular transportation routes.

According to information provided in the Purchasing File, 7 Proposals were received and scored, with contracts recommended to the proposals that scored the highest.

Previously, 3 Contracts were submitted by Special Letter of Nov. 26, 2013 and approved on Nov. 26, 2013 for the JARC/New Freedom Program. Contracts were approved with: Wrightway Transportation, Contract 2882989 (Note the Contract Number PO 2883536 indicated in the Purchasing List submitted February 18, 2013 is incorrect and Purchasing will be submitting a correction), for \$1,180,000; Detroit Area Agency on Aging, Contract 2883525, for \$1,080,000; and Moe Transportation, Contract 2883231 for \$1,116,000. Services provided by Wrightway to eligible riders 7-days per week, 24 hours per day; Services provided by Detroit Area Agency on Aging to eligible riders Monday through Friday (8 am to 6 pm) and Saturdays on a limited basis. The total cost for these 3 contracts is \$3,376,000 over the 3 year term for \$1,125,333.33 per year.

On February 18, 2013, Council approved amendments to the Wrightway and Detroit Area Agency on Aging contracts. The amendment added the definition for client to the Scope of Services for the approved contracts. The term of the contracts and contract costs remain the same. The two amendments listed below add the same language to the Scope of Services of those contracts (SW Transport d/b/a Checker Cab and Moe Transportation) and all other terms and costs remain the same.

The current Purchasing List contains the following items for Council's consideration:

- PO 2883536 with SW Transport d/b/a Checker Cab appears to be an additional contract for these services. The 3-year contract period is October 1, 2013 through October 31, 2016 at a cost of \$1,800,000.00.
- Amendment No. 1 to PO 2883536 with SW Transport d/b/a Checker Cab.
- Amendment No. 1 to PO 2883231 with Moe Transportation, LLC.

Services provided by SW Transport d/b/a Checker Cab to eligible riders 7-days per week, 24 hours per day, 365 days per year; Trips provided to all origins and destinations within Wayne, Oakland, Macomb and Washtenaw Counties. Fares are set by DDOT and which includes: JARC for \$1.50; New Freedom for \$2.50. Contractor to collect the fares as partial payment for the trips performed; DDOT to pay Contractor the balance of the cost on a per-trip basis.

Continued Discussion on Next Page

Continued Discussion of General Transportation Contracts:

Detroit Dept. of Transportation to define the parameters that govern services and shall ensure the contractor complies. Contractor may use equipment provided by DDOT. The Dept. is responsible for overseeing all aspects of the services provided: vehicle inspections, compliance with local, state and federal requirements, reconciling and benchmarking service quality, and implementing corrective action that improve poor performance

Costs budgeted to Transportation Grants Fund, Acct. 5303-208382-000059-617900-10423-0-DOT51. Appropriation for Job Access & Reverse Commute Grant includes available funding of \$16,083,578.82 as of February 28, 2014.

2883536 80% Federal, 20% State Funding – To Provide Transportation Services for JARC/New Freedom for Eligible Riders – Company: Checker Cab Company, Location: 2128 Trumbull, Detroit, MI 48216 – Contract Period: October 1, 2013 through October 31, 2016 – Contract Amount Not to Exceed: \$1,800,000.00

-AND-

2883536 80% Federal, 20% State Funding – To Provide Transportation Services for JARC/New Freedom for Eligible Riders – Company: SW Transport dba Checker Cab Company, Location: 2128 Trumbull, Detroit, MI 48216 – Contract Period: October 1, 2013 through October 31, 2016 – Contract Amount Not to Exceed: \$1,800,000.00

This amendment is to request an addition to the scope of services (First Amended Exhibit A):

A client is a person qualified by the City of Detroit's Department of Transportation Staff as an eligible rider. The City of Detroit's Department of Transportation is solely responsible for determining riders' eligibility for the Services.

The original contract has been submitted to City Council for approval on March 4, 2014; there is no change in money or time.

Contract checklist, dated 12-9-13, indicates this contract is essential to provide transportation services to elderly, disabled and low-income residents. The consequence of not buying is that this needed transportation service may not be available to residents. It also indicates that the service was competitively bid and that it was awarded to contractors that offered the best service at the most fair and reasonable rates. Lastly, it states that City workers cannot perform this service and cannot be trained to do so.

Covenant of Equal Opportunity Affidavit signed 7-1-13; TAXES: Good Through 6-30-14 and 5-20-14; Hiring Compliance Policy Affidavit signed 7-1-13 and the Employment Application submitted complies; Slavery Era Records Disclosure Affidavit signed 7-1-13, indicating business established in 1998, no records to disclose.

Continued Discussion on Next Page

Continued Discussion of General Transportation Contracts:

2883231 80% Federal, 20% State Funding – To Provide Transportation Services for JARC/New Freedom for Eligible Riders – Company: Moe Transportation, LLC, Location: 23300 Greenfield, Suite #125, Oak Park, MI 48237 – Contract Period: October 1, 2013 through October 31, 2016 – Contract Amount Not to Exceed: \$1,116,000.00

This amendment is to request an addition to the scope of services (First Amended Exhibit A):

A client is a person qualified by the City of Detroit's Department of Transportation Staff as an eligible rider. The City of Detroit's Department of Transportation is solely responsible for determining riders' eligibility for the Services.

The original contract was approved by City Council on November 26, 2013; there is no change in money or time.

Contract checklist, dated 12-9-13, indicates this contract is essential to provide transportation services to elderly, disabled and low-income residents. The consequence of not buying is that this needed transportation service may not be available to residents. It also indicates that the service was competitively bid and that it was awarded to contractors that offered the best service at the most fair and reasonable rates. Lastly, it states that City workers cannot perform this service and cannot be trained to do so.

Covenant of Equal Opportunity Affidavit signed 10-18-13; TAXES: Good Through 6-30-14 and 8-30-14; Hiring Compliance Policy Affidavit signed 10-18-13 and the Employment Application submitted complies; Slavery Era Records Disclosure Affidavit signed 10-18-13, indicating business established in 2011, no records to disclose.